

May 2011 Monthly Newsletter

Dear Shareholders of Mongolia Growth Group Ltd.,

I have been an investor in small businesses for over a decade. I have seen successes and plenty of failures but almost without a doubt, the biggest mistake that companies make is not building the infrastructure necessary for success. It is hard to blame CEOs—their capital is precious and they want to spend it sparingly. Unfortunately, you simply cannot avoid spending on infrastructure. Most critically, you need to spend before you need it. You can always grow into your infrastructure if you overbuild—you cannot chase after your success with infrastructure as you will never catch up.

To me, infrastructure means everything from your office to your computer systems, but most importantly, it means people. Employees drive a company forward and in the end, you are only as good as your people. Last night, I went to a party held by our partners at the UMC Group. I am forever impressed by what they accomplish, but in particular, I'm impressed by the people they've hired in the past two months—where our staff has more than doubled. After walking past new associates on the way in and out of our office, I have finally had a chance to get to know some of them. I'm impressed—Well done guys!

While UMC Group has been busy building out their staff, we haven't been idle either. A fortnight ago, Matt Aiken joined our company as our new CFO. In two short weeks, he was able to take a few hundred receipts and compile our first quarterly report which was recently posted on SEDAR.

When I first visited Mongolia, I was frustrated by the lack of transparency at many of the public companies. In response to this, I decided to build Mongolia Growth Group so that we could control the accounting and audit function. No matter what happens at our business, we will know, to the penny, how our business is doing. The only way you can have that sort of confidence, is to do it yourself. We are now building up the real-time systems needed to analyze our business and be able to react to changes. We've accomplished a lot in the past four months and the infrastructure build is finally beginning to bear fruit for us. I want to thank everyone who has helped in this process and to the new associates—welcome to our growing family.

From an asset standpoint, we have continued to acquire rentable property assets. For the month of May, we acquired nearly 1,500 meters of rentable space consisting of office, commercial and residential space.

On a slightly different note, Jordan Calonego (our COO) and I pride ourselves on being level-headed businessmen. That also applies to how we value our own company. We have a sincere desire to see our shares trade roughly in line with what we feel fair value is—too high or too low is counter-productive to building a sustainable business. Of course, different investors have different opinions on how to calculate fair value—for this reason, our shares will naturally fluctuate in a range. When we feel that the shares may have exited this range of probable fair values, we hope to redirect investors to the facts.

Early in May, our shares traded as high as CDN \$6.00. Clearly, I think we are making huge progress at MGG—but isn't it a bit presumptuous to say that a little under CDN \$20 million invested in our company in the past four months is suddenly worth in excess of CDN \$150 million in market value? I believe our investments have appreciated since we acquired them—but such increases in value in such a short time are simply impossible.

Many CEOs want their shares to be overvalued—often this is because they personally want to sell their shares. Jordan and I are long term investors. Part of building a company involves raising capital and incentivizing employees through stock options. Neither of these is possible if our shares trade substantially outside the bands of logical fair value.

Sincerely,

Harris Kupperman
Chairman & CEO
Mongolia Growth Group Ltd.

For further details on the foregoing document, please refer to the Corporation's filing on SEDAR.



For more information on Mongolia Growth Group Ltd., please see our website:
<http://www.MongoliaGrowthGroup.com>

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Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain forward-looking information within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks, uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CNSX. There are uncertainties inherent in forward-looking information, including factors beyond MGG’s control. MGG undertakes no obligation to update forward-looking information if circumstances or management’s estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in MGG’s filings with Canadian securities regulators, which filings are available at www.sedar.com. The CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Source: Mongolia Growth Group Ltd. (CNSX – YAK)

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